24 October 1957

MEMORARDEM FOR: Director of Central Intelligence

SUBJECT : Revision of MSCID #5

- 1. The attached draft of a revised MBCID #5, now on the IAC agenda for 29 October, is the result of over three menths of negotiation with the interested departments and agencies, primarily the military services. We have endeavored to include in the paper all suggestions made by the interested parties which were not incompatible with the two major objectives set by the Killian Board, and approved by the President, i.e. centralised direction and comprehensive coordination.
- 2. By the issuance of this paper the MSC will make the following assignments of authority, duty or responsibility:
 - a. The BCI will first establish the procedures necessary to achieve contralised direction through comprehensive coordination of all U.S. espionage and clandestine counterintelligence activities conducted abroad and he will then coordinate all such activities;
 - b. The CIA will be established as the national clandestine service of the U.S. and essigned primary responsibility for the conduct of espionage and clandestine counterintelligence abroad as services of common concern, including the conduct of linison with foreign clandestine services or concerning clandestine activities with foreign intelligence or security services.
 - e. Subject to the precedures established by the BCI, in consultation with the IAC, and to his coordination, departments and agencies with commands or installations located outside the U.S. and its possessions may conduct espionage, clandestine counterintelligence, and lisison with foreign clandestine services or concerning their clandestine activities with foreign intelligence and security services.

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- 3. To accommodate the desires of the Sec. Def. concerning counterintelligence, the paper states that the DCI, in consultation with the TAC, shall provide for the coordination of all U.S. counterintelligence activities abroad and shall take any other action deemed necessary to promote the overall effectiveness of U.S. counterintelligence abroad.
- practical necessity for 4. This revised MSCID #5 recognizes the practical necessity for providing some degree of participation in the fields of espionage and clandestine counterintelligence by other departments and agencies, where they have commands or installations located oversees. On the other hand, by providing for centralized direction of this effort through comprehensive coordination by the DCI, the basic objective which prompted the establishment of a single espionage service under the provisions of the original MSCID #5 is largely preserved.

The initial response of the Mavy to the first MSCID #5 draft presented to them in July, was a counter-proposal which would have established four co-equal clandestine services, provided for coordination by mutual agreement and limited the DCI's role in the exercise to "insuring the coordination" of the activities. Army supported this view.

Obviously, the Mavy proposal would be completely at odds with the primary objectives set by the Killian Board and a complete turn-about from the provisions in the original MSCID #5. It must be said that the military services, with the Mavy as spokesman, made only one good try at this effort and then dropped it. However, they continued to the end to whittle away at any provision which would give the BCI anything more than the most general coordinating authority.

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In no case did any of the services take an official reservation against provisions supporting the objectives of centralised direction or comprehensive coordination. In this connection it should be pointed out that the IAC has already tentatively approved a provision in MSCID #1 which establishes the duty of the DCI to advise the MSC and to coordinate the intelligence effort of the United States.

It was held by some that the DCI had two distinct responsibilities for implementation of the Killian Board recommendations as expressed in the President's latter of 5 August 1957, i.e. "strong centralized direction of the intelligence effort of the U.S. through the MSC and the DCI", and "the exercise of a more comprehensive and positive coordination responsibility by the DCI".

The military services were very strong on the point that the DCI could not "direct" them or their commands. It was pointed out that this "centralized direction" was exercised by him on behalf of the MSC and through the medium of issuing DCIDs which were developed in consultation with the IAC; in other words, no "direction" could be rammed down the throats of the military services.

However, it was finally agreed to state that centralized direction would be "through" comprehensive coordination. In other words, centralized direction is an objective to be achieved, insofar as the DCI is concerned, through the act of coordination.

- 5. Because all non-essential verbiage has been wrung out of the paper, no word changes can be made without the most careful consideration of the effect of such change on the major objectives of the paper, i.e., centralized direction through comprehensive coordination of the clandestine intelligence effort, and the primacy of CIA in this field.
- 6. The following is a paragraph-by-paragraph comment on the paper with our best estimate of the degree of opposition to be expected, if any, when the IAC meets next Tuesday:

Presible: No comment expected.

- Para. 1.a.: Army may propose the addition of the following words at the end of the paragraph, "usually through the use of agent personnel". Home of the other members of the working group thought this was essential.
 - Para. 1.b.: Our CI people were most concerned about this paragraph as, in their view, it would not be complete without reference to "counterespionage" or "counterintelligence" as an offensive operation which can be used against the U.S. They would settle for the inclusion of the word "counterintelligence" following the word "espionage" in the fifth line of this paragraph. We recommend that you propose this change at the IAC meeting for supposes of clarity of Settles explanation is necessary the CI.

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- Para. 2.: This is the key paragraph in the paper and no word changes should be made without the most careful consideration. It is not believed that there will be real opposition raised on any part of this paragraph although you may have a query from the military services as to how "centralised direction" is to be achieved. The recommended reply is that it will be done through issuance of DCIDs which are the means by which the BCI implements the RSCIDs; they are developed in commultation with the IAC and they are binding on all departments and agencies concerned after issuance.
- Para. 3: One or more of the military services may question the validity end/or advisability of establishing the CIA as the "notional slandestine service of the US." The JIG may question its validity on the ground that the JCB has already taken a position that there is no national clandestine service in the U.S. and its advisability on the ground that misinterpretation of this portion of the directive could lead to a cut or climination of service funds

for the clandestine activities they are authorized to conduct under the terms of this directive; the Army may take the view that such a statement is "unnecessary".

It is recommended that you hold fast on the major point as it is obvious that under the provisions of the revised MSCID #5 (and taking into account MSC 5412) CIA is in fact the national clandestine service of the U.S. and it is high time this condition was officially recognized. It also has an important bearing on the primacy of the Agency in the field of limison. The services "right" to conduct clandestine activities is clearly set out in paragraph 4 and should enable them to justify the "legality" of 7.

If any concession is necessary, it is recommended that you propose changing the first part of paragraph 3. to read, "As the national clandestine service of the U.S., the Central Intelligence Agency has primary responsibility, etc.".

The one area in which the most heated discussion can be expected is that of liaison. It is not believed that the services would question the right of the BCI or his representatives to coordinate liaison on clandestine matters with any foreign element but they will probably take issue on the point of coordinating all liaison with a foreign clandestine service even though the subject of the liaison may be overt. They will probably raise the example of _______ which is not only a clandestine service but also runs the Attache system - they would ask if all liaison with respect to Attache matters has to be coordinated with CIA because ______ is a clandestine service.

The plain fact is that it is most difficult to clearly define what we mean by the term "clandestine service" when it is applied to many of the foreign services who are a combination of both clandestine and overt, many are part of the military services, etc.

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It should be noted that if we limited the coverage in paragraphs 2.b., 3.c. and 4.c. to "liaison which concerns clandestine activities" the statement would be consistent with the position taken by the DCI in his letter to General Schow on 15 February 1957 concerning a directive which the Army had issued to its commands in January 1957. The Army revised this directive to provide for coordination with CIA "prior to advancing proposals or agreeing to any proposals advanced for clandestine operations with any foreign intelligence service, military or civilian."

Para. 4: It is believed the military services are content with this paragraph but will strive, as indicated above, to whittle away at the liaison controls to be exercised by the DCI or CIA.

Para. 5: No comment anticipated.

Para. 6: No comment anticipated.

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Pare. 7: The JIG may raise the point that reference to senior military commenders should be in the singular as it is the unified commender who is in command of the area involved; the individual military services may object to such a proposal on the basis that it would upset present arrangements, especially in Europe, and would be a basic change from the current provisions of DCID 5/1, and would prevent their Commenders (USAREUR, etc.) from being informed on matters of direct concern to them.

This is in large measure a family fight within the military but it is believed that our best interests would be served by siding with the individual services.

Perm. 6: The JIG may raise the point that the provisions should provide that all CIA essets will be assigned to the CIA Force and be under the Theater Commander; they may also raise the point that the theater commander should be consulted on exceptional operations as well as the JCS. Our recommended reply to such a proposal is that the matter has been settled with the recent revision of the Command Relationships Agreement and this MECID should be in conformity with that agreement.

Para. 9: This paragraph is specifically designed to accommodate the proposals made by the Secretary of Defense with respect to the broad field of counterintelligence, including both its clandestine and its purely overt aspects. By the provisions of this paragraph the DCI and the IAC take cognizance of the problem, counit themselves to "provide for" the coordination of the sum total of counterintelligence activities abroad, including any necessary coordination with similar operations at home, and take up any other action that may be necessary.

7. In summary, it is believed that this revised HBCID #5 is coherent, provides for centralized direction through the emercise of comprehensive coordination by the BCI, establishes CIA as the national claudestine service having primary responsibility in the field, and enables the military services to conduct any required espionage or claudestine counterintalligence to support their mission. This is done without in any way providing for a multiplicity of independent or co-equal claudestine services. It is not believed that the military services can raise any legitimate objections to the provisions of this paper unless they propose to challenge the basic idea of centralized direction through comprehensive coordination exercised by the BCI acting for the MSC.

L. K. TEUECOTT, JR. General, UBA (Ret) Deputy Director (Coordination) 10:00